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21. (Twice Amended) The architecture of claim 18, wherein the [devices communicate over]  
network is an extranet.

Remarks

Claims 1-2, 6-8, 10-13, 15-16, 18-23 and 26-30 stand rejected under 35 U.S.C. §102(a) as being anticipated by Hogan, U.S. Patent No. 5,792,132. There are significant differences between the subject invention and that disclosed by Hogan, however, and certain of the claims have been amended to better define Applicants' invention.

A significant difference between the Hogan configuration and that of Applicants is that the user information is stored on a centralized server as opposed to the user's own personal computer. In Hogan's system, the information is stored on the user's personal computer, thereby limiting the usage for the user on that personal computer. At column 7, lines 12-28, Hogan provides an example of a user selecting an article for purchase from a merchant web site and conducting a cashless transaction with the reload feature.

Once the article is selected for purchase, the software residing on the user's personal computer determines, after authenticating the user, whether or not the user has sufficient funds to proceed with the purchase. Nowhere does Hogan discuss a request being sent to a transaction processing server and the creation of a transaction instance. According to the instant invention, the transaction is received by the transaction server, which then creates an instance of a transaction.

Applicants' claims also include the limitation of calculating the purchase price of the requested goods or service. In Hogan's solution, the merchant calculates the purchase price and not the Financial

Service Provider (FSP) cashless transaction software residing on the user's personal computer. According to Applicants, the Rating Device of the transaction server calculates the purchase price as and when necessary.

In summary, Applicants believe the rejection under section 102 is unsupported. Nevertheless, distinguishing features present in certain of the dependent claims will also be discussed.

As to claim 6, note that Hogan discusses the denying of a reload request at column 8, lines 48-53, as opposed to the denial of a *service request*. As to claim 7, input device is one of the components of the Transaction Server (TxS). The input device contains a communication server, which is used by clients (ex: web browser) to communicate with the TxS. The input device resides on the centralized server along with the other components of the TxS.

As to claim 10, Hogan at column 9, lines 40-43, discusses the comparison of the purchase price with the user's balance on the personal computer. It does not discuss the calculation of the purchase price. As to claim 11, Hogan at column 7, lines 26-27, discusses the selection of an article and does not disclose the price of the article to be a dollar or less.

Regarding claim 12, in Hogan transactions are transmitted to the merchant once they are completed on the user's personal computer. From the merchant they are transmitted to the FSP. However, each time the transactions are transmitted, they are completed transactions. In the instant invention, a portion of a transaction may be processed on one physical machine and then "shipped" to another machine to process the remaining steps. This refers to steps taken to complete a transaction on different locations (see "TYPICAL ROAMING SITUATION" in the specification) as opposed to steps taken at different locations after the transaction is processed. These steps are preferably performed in

real-time as opposed to Hogan's downloading of transactions to a tape, which is usually in a batch mode.

As to claim 15, Hogan at column 9, line 57 to column 10, line 10, discusses how completed transactions are transmitted to the various parties for storage and processing. It does not describe the steps to provide the user with a history of payments. With respect to claim 16, whereas in the Hogan patent the user is billed for a reload, the subject invention moves or transfers funds from a bank or credit card (as a cash advance) account in real-time. Since the funds are moved in real-time, the issuing bank does not assume any credit risk for the reload.

With regard to claim 18, Hogan does not fairly disclose these components or the functions they perform. All devices mentioned here are part of the TxS running as a single process and residing on a centralized server. The rejection refers to various entities such as the merchant web site and the software on the user's personal computer. With respect to claim 19, whereas this claim refers to the devices communicating with each other over the Internet, the Hogan patent discusses conducting cashless transactions over the Internet.

As to claim 26, the devices of the instant invention communicate with each other to complete a single transaction process in real-time. The initial request is originated from a merchant web site (as in the Hogan patent), but that's where the similarity ends. The instant invention is further capable of processing a single transaction once received by a TxS residing on a centralized server. If one TxS cannot process a transaction in its entirety, it may "ship" or transmit the transaction to another TxS to process the remaining steps involved in completing the transaction. Once the other TxS's complete the processing of a transaction, the initial TxS is responsible for returning a response to the entity making the request.

With regard to claim 27, whereas the Hogan patent refers to the merchant web site, which provides the purchase price, the instant invention sets forth a component of the TxS residing on a centralized server, which determines the estimated purchase price. As to claim 29, the output device of the TxS queues the transactions for post processing. The Hogan patent refers to multiple transactions being downloaded to a tape. This claim states that the transactions are queued in memory on the centralized server for further processing. Claim 30 is similar to Claim 16. Whereas in the Hogan patent the user is billed for a reload, the instant solution moves or transfers funds from a bank or credit card (as a cash advance) account in real-time. Since the funds are moved in real-time, the issuing bank does not assume any credit risk for the reload.

Claims 3-4, 20-21, and 33-38 stand rejected under 35 U.S.C. §103(a) over Hogan in view of Moen et al., U.S. Patent No. 5,864,604. Claims 5, 17, 22, 25 and 31 stand rejected under 35 U.S.C. §103(a) over Hogan in view of Davis et al., U.S. Patent No. 6,105,008. Claims 9, 14 and 24 stand rejected under 35 U.S.C. §103(a) over Hogan in view of Williams et al., U.S. Patent No. 5,815,657.

For various reasons, Applicants believe the Examiner has not met the burden of establishing a *prima facie* case of obviousness with respect to each these proposed combinations. Firstly, to establish a *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). In addition, in rejecting claims under 35 U.S.C. §103, the Examiner must provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art, or to combine references, to arrive at Applicants' claimed invention. There must be something *in the prior art* that suggested the combination, other than the hindsight gained from knowledge that the inventor choose to combine these particular things in this particular way. Uniroyal Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5

USPQ2d 1434, 1438 (Fed. Cir. 1988). The Federal Circuit reasons in Para-Ordnance Mfg. Inc. v. SGS Importers Int'l Inc., 73 F.2d 1085, 1088-89, 37 USPQ2d 1237, 1239-40 (Fed. Cir. 1995), *cert. denied*, 519 U.S. 822 (1996), that for the determination of obviousness, the court must answer whether one of ordinary skill in the art who sets out to solve the problem and who had before him in his workshop of the prior art, would have reasonably expected to use the solution that is claimed by the Applicants. However, "[o]bviousness may not be established using hindsight or in view of the teachings or suggestions of the invention." Para-Ordnance Mfg. Inc. v. SGS Importers Int'l Inc., 73 F.2d at 1087, 37 USPQ2d at 1239 (citing W.L. Gore & Assoc., Inc. v. Garlock Inc., 721 F.2d at 1551, 1553, 220 USPQ at 311, 312-313). The CAFC also requires the PTO to make specific findings on a suggestion to combine prior art references. In Re Dembeczak, 175 F.3d 994, 1000-01, 50 USPQ2d 1614, 1617-19 (Fed. Cir. 1999).

In this case, the references used by the Examiner do not teach or suggest the proposed combinations. Moen, U.S. Patent No. 5,864,604, is directed to a method of operating a telecommunications system for providing a message service for limited access telecommunications to a plurality of end users. (Col. 2, lines 63-66.) This goal is entirely divorced from that of Applicants, such that the combination of Hogan and this reference does not meet the limitations of the instant claims. Moen's patent discusses a predetermined bulk rate for a preset time period. According to the present invention, the determination of the cost for the amount of time spent is dynamic and variable. The rate is calculated for any given time and not for a preset time period. The rates are entered for time bands and may be different for different days and different times. The instant solution also has the ability to offer discounts based on time spent.

Davis, U.S. Patent No. 6,105,008, resides in an architecture and system supporting the use of a

"smart card" for payment of goods and/or services over the Internet. In contrast, however, applicants' invention strives to eliminate the need for a credit card or smart card, opting instead, for information, perhaps encrypted, to and from a centralized transaction server. Just because the claims rejected using Davis in combination make reference to a POS terminal or personal digital assistant, does not mean that a smart card would be used. Williams et al., U.S. Patent No. 5,815,657, appears to be directed to an automated teller type of arrangement, wherein icons of a physical payment such as a credit card or purse are presented on a dedicated display in response to user identification information such as a password. However, this system is entirely dedicated, insofar as the user terminal stores critical information, and the network interface does not extend to internet/intranet/ extranet capabilities.

Based upon the foregoing amendments and comments, Applicants believe all claims are in condition for allowance. Questions regarding this application may be directed to the undersigned attorney at the telephone and facsimile numbers provided.

Respectfully submitted,

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